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TRADE

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555/35/18

June 1, 1956

MEMORANDUM for -

The Secretary,
Department of External Affairs,
CANBERRA.

Your Ref. 766/3/15

I refer to your inquiry of the 19th April as to whether the reports sent in by the External Affairs Officer in Hong Kong duplicate reports sent in by the Trade Commissioner, and wish to advise that they do not. It would be appreciated if you could continue sending us copies of your reports.

(W.A. Westerman) ⁷⁵⁰
Acting Secretary

EXTERNAL AFFAIRS.

766/3/15
271

The Secretary,
Department of Trade,
CANBERRA.

CHINESE TRADE TALKS WITH EGYPT AND THE SUDAN

I attach for your information copy of memorandum No. 225 and attachments dated 16th April, 1956, from the External Affairs Representative Hong Kong, on the above subject.



Keith Brennan
(Keith Brennan) *JB*
for Assistant Secretary

CANBERRA, A.C.T.
27th April, 1956.

555. 35. 18

C/- Australian Govt Trade Commissioner
Hong Kong

File No 640

16th April, 1956.

Memo No 225

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

CHINESE TRADE TALKS WITH EGYPT AND THE SUDAN

Currently a series of trade talks aimed at the promotion of Sino-Egyptian friendship, economic and trade relations are in progress in Peking and Cairo between Chinese Communist and Egyptian trade representatives. No statement as to progress in the talks or their precise scope has yet appeared.

2. The Chinese delegation visiting Cairo has also taken in the Sudan and on 14th April the following joint communique was issued :

"Yeh Chi-chuang, head of the Trade Delegation of the Chinese People's Republic, during a visit to Khartoum, the capital of the Sudan Republic, held talks and exchanged views with Ibrahim El-Mufti, Minister of Trade, Industry and Supply, and Ibrahim Ahmed, Minister of Finance, of the Sudan Republic, on the development of economic cooperation and trade between the Chinese People's Republic and the Sudan Republic. Both sides expressed willingness to develop trade between the two countries in accordance with the resolution of the Bandung Conference on economic cooperation and on the basis of the principle of equality. To ascertain this desire, letters were exchanged between the two sides. During the visit the Trade Delegation of the Chinese People's Republic further made broad contacts and carried out specific trade activities with industrial and commercial circles in Sudan. Both sides hope that the talks will promote trade and economic relations between the Chinese People's Republic and the Sudan Republic and consolidate friendship between the people of the two countries."

3. Enclosures are :

- ANNEX A Foreign Trade Minister on Sino-Egyptian Trade - Cairo 2 April
- B First Stage of Sino-Egyptian Trade Talks Concluded - Cairo 3 April
- C Egyptian Trade Representative Arrives in Peking - Peking 8 April
- D Chou En-lai Receives Egyptian Trade Representatives - Peking 11 April
- E Chinese Trade Delegates in Khartoum - Cairo 5 April
- F Communique on Trade Talks Between China and Sudan - Peking 14 April

(W.P.J. Henderson)
The Secretary

FOREIGN TRADE MINISTER ON SINO-EGYPTIAN TRADE

CAIRO, Apr. 2:- Chinese Minister of Foreign Trade Yeh Chi-chuang said at a press conference here yesterday that the purpose of his delegation's visit to Egypt was to promote friendship and economic and trade relations between the two countries. *Annex A*

He stated, "During our tour, we have seen not only the wonders of the ancient civilisation of the Egyptian people but also their brilliant achievements under the leadership of Prime Minister Gamal Abdel Nasser.

"We want to have contacts and negotiations with the Egyptian Government, commercial and industrial circles to seek practical ways of developing Sino-Egyptian trade.

"At present more than 60 countries and regions have trade with China, among them, 20 countries have governmental trade agreements with us. Our country's foreign trade is based on the principle of equality and mutual benefit. We sincerely hope that all Asian and African countries will cooperate and help each other economically in order to develop their industry and achieve economic independence.

"We acknowledge that aid to other country should have no special demands attached to it. Our trade relations with the Soviet Union and the people's democracies are on the basis of equality, mutual benefit and cooperation. This new kind of trade relations is daily winning deep consideration of the Asian, African and other countries.

"Our trade with Western countries decreased since the fall of 1951 due to the hindrance of blockade and embargo. If the governments of the
(cont'd)

- 2 -

Apr. 3, 1956

Western countries take some effective measure to eliminate such man-made hindrance, the development of trade between China and Western countries is possible.

"The Asian and African countries having a total population of 1,600 million and rich resources, have great potentialities. By developing such potentialities and helping each other, every country can achieve independence and prosperity. This is also beneficial to world peace.

"China has concluded a number of governmental trade agreements with the Arab countries such as Egypt, Syria, Lebanon and her Southeast neighbours like India, Burma, Indonesia and Ceylon. These trade relations are expanding continuously despite outside pressure. In August, 1955, China and Egypt signed a trade agreement. The volume of trade between the two countries registered a remarkable increase in the past year and a further increase in 1956 may be expected. We are willing to establish normal trade relations with Sudan and we also welcome trade relations of equality and mutual benefit with Arab countries like Lybia and other African countries." (HSINHUA)

* * *

FIRST STAGE OF SINO-EGYPTIAN TRADE TALKS CONCLUDED

CAIRO, Apr. 3:- The first stage of the Sino-Egyptian negotiations had been successfully concluded, said Mohammed Abou Nousseir, Egyptian Minister of Commerce and Industry, at a press conference yesterday. *Annex B*

He expressed the hope that the negotiations would lead to an increase in the volume of trade between the two countries.

Yeh Chi-chuang, Chinese Minister of Foreign Trade, will leave for the Sudan tomorrow. (HSINHUA)

EGYPTIAN TRADE REPRESENTATIVE ARRIVES IN PEKING

PEKING, Apr. 8:- Medhat El Farr, Head of the Egyptian Government's Trade Office in China, and his wife arrived here this afternoon. *Annex*

They were met at the railway station by Lin Hai-yun, Assistant Minister of Foreign Trade, and Wang To, Deputy Chief of the Protocol of the Foreign Ministry.

Ahmed El Mantaw, Deputy Head of the Egyptian Trade Office, and his wife, and members of diplomatic missions in China were also present.
(HSINHUA)

* * *

CHOU EN-LAI RECEIVES EGYPTIAN TRADE REPRESENTATIVES

Annex D

PEKING, Apr. 11:- Premier Chou En-lai this afternoon received Medhat El Farr, head, and Ahmed El Mantaw, deputy head, of the Egyptian Government's Trade Office in China, and their wives.

Present on the occasion were Chi Peng-fei, Vice-Foreign Minister, and his wife; Huang Hua, Director of the Western European and African Affairs Department of the Foreign Ministry; Lei Jen-min, Vice-Minister of Foreign Trade; Yang Hao-lu, Director of the Fourth Bureau of the Ministry of Foreign Trade.

After the reception, Premier Chou En-lai gave a dinner for the Egyptian guests.

Present at the dinner were also Professor Shawarby, head of the Egyptian Cultural Delegation, and his wife; Messrs. Latif and Zayan, members of the delegation and Mrs. Zayan.

Others present were Yang Hsiu-feng, Minister of Higher Education, and Sheikh Nur Mohammed Ta Pu-sheng, Vice-Chairman of the China Islamic Association.

In the past few days, Medhat El Farr called on Vice-Minister Lei Jen-min of Foreign Trade and Vice-Minister Chi Peng-fei of Foreign Affairs.

The Egyptian guests were feted at a dinner by Vice-Minister of Foreign Trade Lei Jen-min yesterday evening. (HSINHUA)

* * *

Annex E
Apr. 6, 1956

CHINESE TRADE DELEGATES IN KHARTOUM

CAIRO, Apr. 5:- The Chinese Trade Delegation headed by Foreign Trade Minister Yeh Chi-chuang arrived in Khartoum yesterday afternoon for a visit at the invitation of the Government of the Sudan Republic.

Among those welcoming the delegation at the airport were the representative of the Sudanese Premier Ismail El Azhari; the director and deputy director of the Department of Protocol of the Foreign Ministry; the State Secretary for Finance and officials of the Ministry of Commerce and Industry.
(HSINHUA)

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COMMUNIQUE ON TRADE TALKS BETWEEN CHINA AND SUDAN

PEKING, Apr. 14:- Following is a communique on trade talks held between the governments of the Chinese People's Republic and the Sudan Republic:

Yeh Chi-chuang, head of the Trade Delegation of the Chinese People's Republic, during a visit to Khartoum, the capital of the Sudan Republic, held talks and exchanged views with Ibrahim El-Mufti, Minister of Trade, Industry and Supply, and Ibrahim Ahmed, Minister of Finance, of the Sudan Republic, on the development of economic cooperation and trade between the Chinese People's Republic and the Sudan Republic. Both sides expressed willingness to develop trade between the two countries in accordance with the resolution of the Bandung Conference on economic cooperation and on the basis of the principle of equality. To ascertain this desire, letters were exchanged between the two sides. During the visit, the Trade Delegation of the Chinese People's Republic further made broad contacts and carried out specific trade activities with industrial and commercial circles in Sudan. Both sides hope that the talks will promote trade and economic relations between the Chinese People's Republic and the Sudan Republic and consolidate friendship between the people of the two countries. (HSINHUA)



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In reply quote No. 766/3/15

DEPARTMENT OF EXTERNAL AFFAIRS,
CANBERRA.

19th April, 1956.

555 35 18

The Secretary,
Department of Trade,
CANBERRA.

Chinese Trade Relations with Egypt and the Arab States.

.... I attach for your information a copy of memo No. 208 dated 3rd April, 1956 from the External Affairs Officer in Hong Kong.

2. It would be appreciated if you would let us know whether reports sent in by the External Affairs Officers duplicate reports sent in by the Trade Commissioner, and whether you wish us to continue sending copies of reports in future.

*Mr Atkin -
we do not appear
to be getting this
information
no doubt by arrangement
with the T.C. officer?
Would you like to
clear the matter - perhaps
with E.A. & let
the outcome?*

Keith Brennan
(Keith Brennan) *DM*
for Assistant Secretary.



h/ 15/5

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Office of the
Australian Govt Trade Commissioner
Hong Kong

File No 640

3rd April, 1956.

Memo No 208

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

CHINESE TRADE RELATIONS WITH EGYPT AND
THE ARAB STATES

In connection with the Sino-Egyptian trade agreement of last August (see memorandum No 639 of 29th August, 1955) two reports concerning progress made in its implementation are enclosed.

2. Annex A, it will be noted, is an Associated Press item and refers to the trade in terms of the value of the goods involved i.e. purchase by China of £10,000,000 worth of Egyptian cotton and by Egypt of £2,000,000 worth of goods from China. Annex B is similar but also mentions some quantities involved in the trade and refers in addition to trade relations with Lebanon, Saudi Arabia and Jordan.

W. P. J. Handmer
(W. P. J. Handmer)
Third Secretary

CHINA BUYS EGYPT COTTON

NEGOTIATIONS ON IMPLEMENTATION OF TRADE ACCORD

CAIRO Apr.2

The Egyptian Commerce Minister, Mr Mohamed Abou Nosseir, said today Communist China had bought \$6,000,000 worth of Egyptian cotton since last August under a bilateral trade agreement.

Mr Abou Nosseir said the Chinese were determined to buy at least \$4,000,000 more before the end of next August. Before the trade agreement signed last year the Chinese had bought \$4,000,000 worth of Egyptian cotton.

Mr Abou Nosseir made the comments to a news conference as he reported on progress of current Egyptian-Chinese talks concerned with implementation of the trade agreement.

He said the first stage of the talks ended with the drawing up of a protocol estimating the amount of trade exchange between the two countries. The second stage of the talks would relate to concluding export contracts between the two countries.

Under the agreement China will buy \$10,000,000 worth of Egyptian cotton while Egypt must buy at least \$2,000,000 worth of goods from China/

Mr Abou Nosseir said since the agreement last August Egypt had bought more than \$2,000,000 worth of goods, mostly food, oils and iron.

Associated Press.

South China Morning Press
Tuesday 3 April 1956/

TRADE RELATIONS BETWEEN CHINA AND ARAB STATES

Annex B

PEKING, Mar. 28:- Bright prospects of trade between China and the Arab countries are discussed by Hsiao Fang-chou, Deputy Secretary-General of the China Committee for the Promotion of International Trade, in today's Kwangming Daily.

Hsiao Fang-chou said that the current visit to Cairo of a Chinese trade delegation led by Foreign Trade Minister Yeh Chi-chuang marked the growth of Sino-Egyptian friendship and economic relations. He recalled that a trade agreement was signed between the two countries last August under which China was to sell 60,000 tons of steel to Egypt and buy 15,000 tons of Egyptian cotton.

The writer stated that China also signed trade agreements with Syria and Lebanon in November and December last year. He pointed out that the industrial equipment exported by China will help the Arab countries to develop their independent industries.

"Although Saudi Arabia has not yet signed any trade agreement with China," he continued, "we are confident that economic ties can be established if both countries make efforts to do so. As regards China's relations with Jordan and the other Arab countries, it is both necessary and possible to establish and develop trade connections on the basis of equality, mutual benefit and mutual respect for each other's sovereignty."

Hsiao Fang-chou said that China's participation in the Damascus International Fair on two occasions had promoted the friendship between the Chinese and Arab peoples. The Chinese Trade Exhibition to be held in Cairo next month would help the Arab people to gain an even better understanding of China, he said.

(HSINHUA)

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- 4 -

EXTERNAL AFFAIRS.

Calla

5/3/15
F

27th March, 1956.

The Secretary,
Department of Trade,
CANBERRA.

I enclose for your information
copy of memorandum No. 167 dated 19th March,
1956, from the office of the Australian
Government Trade Commissioner, Hong Kong,
concerning Chinese Trade Mission to Egypt.

Keith Brennan
(Keith Brennan) *DM*
for Assistant Secretary

CANBERRA. A.C.T.



C/- Australian Govt Trade Commissioner
Hong Kong

File No 640

Memo No 167

19th March, 1956.

Wrong file →

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*Hisin
C. China
INDIA*

28 March 1956

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

CHINESE TRADE MISSION TO EGYPT

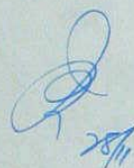
It has been reported from Peking that a Chinese Communist trade mission led by Yeh Chi-chuang (Minister of Foreign Trade) arrived in Cairo on 16th March.

2. Also arriving in Cairo by the same plane was Ma Yi-min who has been appointed head of the Chinese delegation charged with arranging a Chinese commodity exhibition to be held in Egypt.

W.F.J. Handmer
(W.F.J. Handmer)
Third Secretary

Records

Please P.A.
on Trade
Treaties
China.


28/11



copy on
555/62/8

Australian Government
Trade Commissioner,
CAIRO.

COMMERCE & AGRICULTURE

555 35 8

28th November, 1955.

EGYPTIAN TRADE AGREEMENTS.

Some time ago you indicated that Egypt and the U.S.S.R. had signed an agreement in which cotton and petroleum products featured prominently. Receipt is also acknowledged of the text of an agreement between Egypt and China which was signed in Peking last August. In view of these agreements you will be interested in the attached cutting from the "Washington Post" of 1st November which lists various attempts the Communist countries have made to enter the Egyptian market. The cutting refers specifically to the recently signed agreement stating:-

"Red China has signed a deal to take \$28.8 million worth of Egyptian cotton during the coming year in exchange for \$5,760,000 worth of steel, with the rest payable in pounds sterling."

Would you please let me know how these "barter" deals into which Egypt has entered are working out? Some time ago it seemed that a difficulty arose regarding the quality of oil being sent to Egypt. The British Embassy, Cairo also reported that the Egyptian Minister for Commerce, in an informal conversation, mentioned that the deal with Russia was not one of barter but "of the normal trade exchanges covered by the trade agreement between the two countries." Have there been any further official statements which might amplify this comment?

As far as the agreement with China is concerned I am particularly interested in the types and quality of the steel which Egypt is receiving and the method by which the quantity of cotton necessary to offset this steel is arrived at. With some other barter deals in which China participated steel was included at prices well in excess of world prices, and the attached newsclipping states that some Communist countries are taking payments for such items as diesel engines and freight cars in Egyptian long-stapled cotton at "more than the world rates."

From your own observations do you consider that Communist trade agents are making a determined effort to capture a greater share of the Egyptian market?

It may be that the possibility of entering into an agreement with Egypt for the exchange of cotton for flour, or some other commodity which Australia can supply, should be investigated. Would you let me have your views on this suggestion.

A copy of this memo has been sent to the Trade Commissioner in Hong Kong who has been asked to examine this question from the Chinese viewpoint.

(W.A. WESTERMAN)
First Assistant Secretary.



28th November, 1955.

The Australian Government
Trade Commissioner,
HONG KONG.

Forwarded for your information.

Would you let me have your comments regarding the practicability of arranging an agreement with China whereby Chinese steel would be exchanged for Australian wool or flour. Any information which comes your way concerning the Egypt - China Commercial Agreement would also be appreciated.

(W.A. WESTERN) 
First Assistant Secretary.

F

Financial Times 26/8/55

555.35.8

**EGYPT-CHINA £20M.
TRADE PACT**
HONG KONG, August 25.
Egypt and China have signed a three-year trade pact providing for a volume of trade valued at £20m. in the first year, says Reuter reporting the New China News Agency.
It was signed in Peking on Tuesday, and provides for most-favoured nation treatment and the establishment of commercial representation in both countries.

Mr K Campbell

